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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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09/228,909

01/11/1999

LAWRENCE KOHLS

98/24

7968

7590

10/11/2005

PHILIP KOENIG  
P.O. BOX 980  
Winchester, MA 01890

EXAMINER

POINVIL, FRANTZY

ART UNIT

PAPER NUMBER

3628

DATE MAILED: 10/11/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

*KL*

**Notice of Allowability**

Application No.

09/228,909

Examiner

Frantzy Poinvil

Applicant(s)

KOHL'S ET AL.

Art Unit

3628

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--**

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to the amendment filed 11/11/2004.
2. ☒ The allowed claim(s) is/are 35-60.
3. ☒ The drawings filed on 11 January 1999 are accepted by the Examiner.
4. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) ☐ All    b) ☐ Some\*    c) ☐ None    of the:
  1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\* Certified copies not received: \_\_\_\_\_.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.  
**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

5. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
  6. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
    - (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
      - 1) ☐ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_\_.
    - (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_\_.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
7. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

**Attachment(s)**

1. ☒ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. ☐ Information Disclosure Statements (PTO-1449 or PTO/SB/08),  
Paper No./Mail Date \_\_\_\_\_
4. ☐ Examiner's Comment Regarding Requirement for Deposit  
of Biological Material
5. ☐ Notice of Informal Patent Application (PTO-152)
6. ☒ Interview Summary (PTO-413),  
Paper No./Mail Date 5/10/05.
7. ☒ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☐ Other \_\_\_\_\_

*Frantzy Poinvil*  
**FRANTZY POINVIL**  
**PRIMARY EXAMINER**

*A4 3628*

### DETAILED ACTION

1. An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it **MUST** be submitted no later than the payment of the issue fee.

Claim 44 has been replaced with :

-- A computer-implemented trader-controlled trading method that employs for each trading event a single trading instrument having a fixed face value and two opposing sides that represent mutually exclusive outcomes, said method comprising the following steps performed by said computer:

- a) soliciting bids to purchase, at prices per trading instrument less than said face value, units of either side of said trading instrument,
- b) receiving at least one bid to purchase a unit of one side of said trading instrument at an offered purchase price less than said face value, and receiving at least one bid to purchase a unit of the opposing side of said trading instrument also at an offered purchase price less than said face value;
- c) comparing bids received, and
- d) declaring a matched trade when the offered purchase price of a first bid specifying one of said sides, added to the offered purchase price of a second bid specifying the opposing side, at least equals said face value. - -

Authorization for this examiner's amendment was given in a telephone interview with Philip Koenig on May 5, 2005.

*Allowable Subject Matter*

2. The following is an examiner's statement of reasons for allowance:

The prior art taken alone or in combination failed to teach or suggest means for declaring a matched trade between a first bid placed to purchase at least one unit of one side of a trading instrument and a second bid placed to purchase at least one unit of the opposing side of the trading instrument where a sum of the prices per unit specified in the first and second bids are an aggregate at least equal to the a face value of the trading instrument taken in combination with a trading system for implementation on a computer network as recited in independent claim 35.

The prior art taken alone or in combination failed to teach or suggest means for declaring a matched trade when a first bid submitted on one of the sides specifies a purchase price that, added to the purchase price specified in a second bid submitted on the opposing side, at least equals the face value and means for determining that one of the two sides of the trading instrument is a prevailing side taken in combination with a trader-controlled trading system as recited in independent claim 41.

The prior art taken alone or in combination failed to teach or suggest the step of declaring a matched trade when a purchase price of a first bid specifying the opposing side of a

trading instrument, at least equals the face value taken in combination with a computer-implemented trader-controlled trading method as recited in independent claim 44.

The prior art taken alone or in combination failed to teach or suggest the host computer declaring a matched trade upon receiving a first bid specifying one side of the trading instrument and a second bid specifying the opposing side of the instrument where upon a purchase price set forth in the first bid and a purchase price set forth in the second bid are each less in amount than the face value and a sum of the purchase prices per unit specified in the first bid and the second bid at least equals the face value taken in combination with a trader-controlled trading method over a telecommunications network as recited in independent claim 47.

The prior art taken alone or in combination failed to teach or suggest means for executing a binding trade when a match exists between at least one bid received on one side of the trading instrument and at least one stored bid received on the opposing side of the trading instrument and means for clearing and settling each the binding trade taken in combination with a computerized system for trading in a single market units of a fixed value instrument having two complementary sides as recited in independent claim 57.

The prior art taken alone or in combination failed to teach or suggest transacting the received bid on the first bid list with a highest priority bid or bids on a complementary list if the bid can be matched against one or more bid orders on a complementary bid

order list and placing an untransacted portion of the incoming bid order on a corresponding one of the list in a priority sequence according to the corresponding one of the predetermined programs if the incoming bid order cannot be completely matched against any bid order or orders on the complementary bid order list taken in combination with a computer-implemented method of automatically and equitably effectuating trades of a fixed value trading instrument having two opposing sides as recited in independent claim 58.

Green, et al. Discloses an article entitled "Algorithms for filtering of market price data", Proceedings of the IEEE/IAFE 1997 Computational Intelligence for Financial Engineering (CIFEr), Dialog file 2, Accession No. 5644635.

Zustrassen, (WO 97/22071) discloses a "Data Processing system for the selective distribution of assets between different portfolios".

Green et al., or Zustrassen taken alone or in combination failed to teach or suggest the above noted features found in claims 35, 41, 44, 47, 57 and 58.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."


***Conclusion***

3. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Frantzy Poinvil whose telephone number is (703) 305-9779. The Examiner can normally be reached on Monday-Thursday from 7:00AM-5:30PM.

The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

FP  
May 26, 2005

  
FRANTZY POINVIL  
Patent Examiner  
Art 3628